

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

CASE NO.: 15-34287-H3-7

**BLACK ELK ENERGY OFFSHORE
OPERATIONS, LLC**

CHAPTER 11

Debtor.

STATUS REPORT

Black Elk Energy Offshore Operations, LLC (“Debtor”), by and through its undersigned Counsel, hereby files this Status Report and states as follows:

1. Debtor’s counsel is filing this Status Report to advise the Court and parties-in-interest regarding the current status of the Debtor’s first day pleadings and work performed since the entry of the Order for Relief.
2. On August 12, 2015 an Involuntary Petition (Doc. No. 1) was filed against the Debtor in this Court.
3. Subsequent to the filing of the involuntary petition all existing directors of the Debtor were replaced with three new directors including two independent directors. In addition, Jeff Jones of Blackhill Partners was appointed as the CRO.
4. On August 31, 2015 the Debtor filed a Consent to the Order for Relief (Doc. No. 68) and a Motion to Convert the Involuntary Chapter 7 case to a Chapter 11 case (Doc. No. 69). The Court entered an Order for Relief (Doc. No. 74) and an Order Granting Debtor’s Motion to Convert to a Case Under Chapter 11 of the Bankruptcy Code Under 11 U.S.C. §706(a) (“Conversion Order”) on September 1, 2015 (Doc. No. 75).

5. The Debtor has complied with the terms of the Conversion Order and has filed the statement of ownership, and a list of all creditors with this Court. The Debtor is completing the petition and schedules and intends to file them timely in accordance with this Court's orders.

5. Mr. Jones and his staff worked over the holiday weekend to develop a budget in connection with a motion to use cash collateral, and have been dealing with vendors and all other aspects of the case.

6. The Debtor has been working with counsel for the Trustee for the Bondholders and with counsel for the Ad Hoc Committee of Bondholders ("Bondholder's Counsel") in order to obtain the consensual use of cash collateral. Debtor's counsel has had numerous calls with the Bondholder's Counsel and all parties are working towards an agreed motion and order. The budget, draft motion and order have been provided to Bondholder's Counsel and they are in the process of providing comments.

7. The Debtor has not used cash collateral since the Conversion Order and has taken steps to ensure that no post conversion checks clear the Debtor's bank account at Capital One Bank.

8. In addition to working towards a consensual cash collateral order, the Debtor, its counsel and the CRO have engaged in discussions with BSEE, the petitioning creditors, and various vendors.

9. The Debtor, CRO and Debtor's counsel have also been negotiating with Liberty Mutual Insurance for the release of approximately eleven (11) million dollars in bond collateral which is owed to the Debtor as a result of the release of bonds which are no longer in effect.

9. The independent directors have met telephonically with the petitioning creditors and their counsel and the petitioning creditors and their counsel are in the process of setting a meeting with the CRO.

10. On September 8, 2015 the Debtor filed a Notice of Complex Case Designation. The Debtor anticipates filing the Motion to Use Cash Collateral shortly after it receives comments from the Bondholder's Counsel, along with a utilities motion and will seek an emergency hearing at that time. The Debtor anticipates that it will need to use cash collateral no later than Tuesday, September 15, 2015.

Dated: September 9, 2015
Houston, Texas

Respectfully submitted,

BAKER & HOSTETLER LLP

/s/ Elizabeth A. Green

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Proposed Counsel for the Debtor

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
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IN RE:

CASE NO.: 15-34287-H3-7

**BLACK ELK ENERGY OFFSHORE
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_____ /

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the **STATUS REPORT**, together with all exhibits, was filed with the Court using the CM/ECF System which will provide notice of such filing to all parties requesting such notice and/or via U.S. First Class Postage Prepaid Mail to the following: **Black Elk Energy Offshore Operations, LLC**, 3100 S. Gessner, Suite 215, Houston, TX 77002 (*Debtor*); **Matthew Scott Okin, Esq./ Brian D Roman, Esq.**, Okin & Adams LLP, 1113 Vine Street, Suite 201, Houston, TX 77002 (*Counsel to Petitioning Creditors, The Grand Ltd., Gulf Offshore Logistics, LLC, Ryan Marin Services, Inc., and Laredo Construction, Inc.*); **United States Trustee**, Bob Casey Federal Building, 512 Rusk Street, Suite 3516, Houston, TX 77002; **Glenn E. Siegel, Esq.**, Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178-0060 (*Counsel to the Indentured Trustee for the Senior Secured Noteholders*); **Jeffrey R. Gleit, Esq.**, Togut, Segal & Segal, LLP, One Penn Plaza, Suite 3335, New York, NY 10119 (*Counsel to the Ad Hoc Group of Noteholders*); and the 20 largest unsecured creditors on the matrix attached to the original of this Status Report and filed with the Court, this 9th day of September, 2015.

/s/ Elizabeth A. Green

Elizabeth A. Green, Esq.

**Black Elk Energy Offshore
Operations, LLC - Case No. 15-34287-
H3-7
Mailing Matrix for the Creditors
Holding 20 Largest Unsecured
Claims**

ABSG CONSULTING INC.
PO BOX 915094
DALLAS, TX 75391-5094

ANKOR E&P HOLDINGS
CORPORATION 1615 POYDRAS
ST, STE 2000
NEW ORLEANS, LA 70112-5405

ATP OIL & GAS CORPORATION
4600 POST OAK PLACE, STE 200
HOUSTON, TX 77027-9726

CHEVRON NORTH AMERICA
PO BOX 730436
DALLAS, TX 75373-0436

ENERGY RESOURCE TECHNOLOGY
GOM INC
PO BOX 4346, DEPT 354
HOUSTON, TX 77210-4346

EXTERRAN ENERGY SOLUTIONS
16666 NORTHCHASE DRIVE
HOUSTON, TX 77060-6014

GAUBERT OIL COMPANY, INC
PO BOX 310
THIBODAU, LA 70302-0310

GRAND ISLE SHIPYARD INC
PO BOX 820
GALLIANO, LA 70354-0820

GULF CRANE SERVICES INC
P.O. BOX 1843
COVINGTON, LA 70434-1843

GULF OFFSHORE LOGISTICS
120 WHITE ROSE DRIVE
RACELAND, LA 70394-2644

ISLAND OPERATING COMPANY
INC
PO BOX 61850
LAFAYETTE, LA 70596-1850

JAB ENERGY SOLUTIONS, LLC
PO DRAWER 511
MORGAN CITY, LA 70381-0511

M21K, LLC
1021 MAIN STREET, STE 2626
HOUSTON, TX 77002-6516

PEREGRINE OIL & GAS II LLC
THREE RIVERWAY, STE 1750
HOUSTON, TX 77056-2061

R&R ENERGY SERVICES, LLC
1340 W. TUNNEL BLVD., STE 450
HOUMA, LA 70360-2830

RENAISSANCE OFFSHORE, LLC
920 MEMORIAL CITY WAY, STE
800
HOUSTON, TX 77024-2653

SHAMROCK MANAGEMENT LLC
C/O GULF COAST BANK & TRUST
P.O. BOX 203047
HOUSTON, TX 77216-3047

SHELL OFFSHORE INC / JV
RECEIPTS
PO BOX 7247-6271
PHILADELPHIA, PA 19170-6271

THE GRAND LTD
LAREDO OFFSHORE SERVICES
13385 MURPHY ROAD
STAFFORD, TX 77477-4305

Debtor

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Operations, LLC**
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United States Trustee

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